

# **Patterns of success and failure on the transition from school to work in Australia**

**(LSAY Research Report Number 18)**

**Stephen Lamb**

**Phillip McKenzie**

June 2001**EXECUTIVE SUMMARY**

This report maps the pathways of a sample of young Australians in their transition from school to work. It focuses on the pathways for those who do not obtain a university degree or TAFE associate diploma or above (or who are not enrolled for such qualifications in the seventh post-school year). By focusing on this group the analysis concentrates on those for whom getting a job was a key concern immediately upon leaving school.

The transition experiences of those who obtain a tertiary qualification after leaving school are analysed in a related LSAY report by Lamb (2001). Between them the two reports provide a comprehensive picture of the transition from school to work of a national sample of Year 10 students.

The data used to examine transition experiences are from the Australian Youth Survey, a major longitudinal survey of young Australians interviewed annually on their school experiences, post-school education and training participation and work activities. The analyses are based largely on a sample of Year 10 students in the late 1980s. The experiences of this sample of young people are measured over the first seven post-school years. A second sample of Year 10 students from the mid-1990s is also used to look at relationships with early school achievement. The post-school education, training and employment experiences of the mid-1990s sample are measured over three years.

## **Findings**

The results show that the move from school to work can be a relatively smooth transition for the majority of this group of young people who did not obtain tertiary qualifications. About 20 per cent of school leavers obtain a full-time job on leaving school and, while they may change jobs along the way, remain in full-time work for the next seven years. A further 13 per cent obtain apprenticeships or traineeships which lead to continuous full-time work, while a similar percentage undertake further study and later gain long term full-time employment. In addition about 24 per cent experience only a short period of unemployment or part-time work before entering lasting full-time employment.

The results show that the pathways followed by school leavers are highly individualised. There is great diversity in the pathways followed by young people, as well as great mobility across them. Such results suggest the need for stronger information and counselling services to help young people and their families as they navigate their way after leaving school, better tracking of the early labour market experiences of school leavers, and early identification and intervention for those who appear to be most at risk.

## **Settling in to the labour force takes much longer for some groups**

However, for the remaining one-third of the young people analysed in this report, the transition from school to work is not smooth. For 7 per cent it involves long term unemployment while another 5 per cent experience mainly part-time work while in the search for a full-time job. For a large group - 13 per cent - full-time work is achieved, but only after an extended period (up to four years) of unemployment, part-time

work or activities outside of the labour force. A further 7 per cent never really enter the labour market, spending most of their time rearing children or being engaged in other activities.

The young people whose transition from school is more problematic (in the sense of spending less than three years in full-time work in the first seven years after leaving school) are disproportionately drawn from particular educational and social backgrounds. Many are low school achievers, and many have not completed Year 12. For example, early school leavers were much more likely to experience long term unemployment on entry to the labour market. Over 12 per cent of male non-completers experienced four or more years of unemployment in the first seven post-school years. The rate for male Year 12 leavers was 7 per cent. The numbers of years of schooling make a big difference to the transition experiences. The likelihood of experiencing long term unemployment and of not being able to secure full-time work is much greater among those who leave school before Year 10. Over 20 per cent of male Year 9 leavers were unemployed for four years or more. The rates fall for each additional year of schooling with the unemployed rate for those who complete Year 12 well below the Year 10 rate.

Social background is strongly related to whether or not young people make a smooth transition to full-time work. The pathways of low SES and high SES school leavers reveal that more low SES students experience difficulties in making the transition to full-time work. Ten per cent more low SES school leavers compared to high SES leavers participate in pathways involving long-term unemployment or extended periods not in the labour force.

Young people with disabilities experience substantial difficulty in making the transition from school to full-time work. Many do not enter the labour force at all over the first seven post-school years - 18 per cent compared to 5 per cent of those without a disability. But even though proportionately fewer young people with disabilities enter the labour force, those with a disability and seeking work struggle to secure full-time employment. They more often experience long-term unemployment (13 per cent as against 7 per cent for those without a disability). They also more often enter a pathway involving mainly part-time work (8 per cent compared to 4 per cent) or full-time work achieved after lengthy periods of unemployment, part-time work or not in the labour force (15 per cent as against 13 per cent).

Students who achieve strong literacy and numeracy skills in school are more likely to be successful in making the transition to full-time employment or training in the first few post-school years than students who do not achieve strong skills in those areas.

Initial experiences can have lasting effects

A common feature of the experiences of those who have a more problematic transition in terms of securing full-time work is the relationship between their careers across seven years and the activities they participate in during their first post-school year. Most who do not have a smooth school to work transition, often having experienced academic failure in school and then leaving school early, start out unemployed or at best in part-time work. Their experiences lend support to the "mill-stone" view of the impact of early labour market experience on workforce careers rather than to the "stepping stone" argument. For these young people, rather than the initial settling-in period representing a trial period where activities act as a stepping-stone to full-time employment, the results suggest that a negative early start has adverse long-term consequences.

This relationship between initial activities and long term outcomes also applies to those who experience smooth transitions to full-time work. For example for those males whose principal activity in the first post-school year is an apprenticeship or traineeship, almost all (95 per cent) subsequently experience what can be characterised as a successful pathway (lasting full-time employment). The large majority of young men who spend the first post-school year in full-time work also experience a successful pathway (83 per cent), as do those who start with full-time study (74 per cent) or part-time work combined with study (67 per cent). By contrast, less than two-fifths of young men whose main first year activity is somewhat problematic experience a successful pathway over the next six years.

The same general pattern holds for female school leavers. If the first post-school year is spent in a positive way (in structured training, full-time work or study) there is a strong likelihood that full-time work will be the main pattern experienced over the next six years. However, for those young women whose main activity in the first post-school year is working part-time (but not studying), or being unemployed, or outside the labour force altogether, only 33 per cent, 20 per cent and 9 per cent respectively subsequently experience a successful pathway over the next six years.

## Conclusions

These results underline the importance of intensive follow-up measures for school leavers experiencing problems in the labour market. The results also reinforce the importance of preventative measures within the education system. There are strong associations between schooling and social background and the likelihood of where young people find themselves in their first post-school year. Young people are not distributed randomly among the main initial post-school activities. Achieving well in school, and completing Year 12, have significant employment and earnings outcomes for young people a decade or more after leaving school. Early school leavers have less chance of securing full-time employment, and a problematic early start in the labour market can be difficult to overcome. This disadvantage serves to reinforce the impact of disadvantages experienced earlier in the school and social system.

From an educational policy perspective, the strongest thrust needs to be preventative: improving young people's foundation skills for lifelong learning, and providing learning environments that are attractive and relevant to the great majority of the young. Experience in Australia and elsewhere shows that there is no inevitability about the number of early school leavers, and that chances for successful intervention are higher while young people are still in school. Improving the literacy and numeracy skills of young people, and offering a range of pathways suited to differing interests and needs at the end of compulsory education encourage a higher proportion of young people to remain in education and training. Intensive measures to help early leavers in the labour market can be all the more effective if resources are freed up by keeping their numbers low in the first place.